

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 07386 221348Z

41

ACTION STR-04

INFO OCT-01 IO-13 ISO-00 STRE-00 SSO-00 NSCE-00 INRE-00

USIE-00 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-07

FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05

PA-01 AID-05 CIEP-01 SS-15 ITC-01 TRSE-00 PRS-01

SP-02 FEAE-00 OMB-01 OIC-02 AF-08 ARA-06 EA-07 EUR-12

NEA-10 /132 W

----- 008054

O 221303Z SEP 76

FM USMISSION GENEVA

TO SECSTATE WASHDC IMMEDIATE 2475

LIMITED OFFICIAL USE GENEVA 7386

ACTION STR FOR WOLFF FROM GREENWALD AND BARRACLOUGH

E.O. 11652: N/A

TAGS: ETRD, GATT

SUBJ: PREPARATORY MEETING FOR OCT CG-18

1. BARRACLOUGH AND GREENWALD MET SEPT 21 WITH GATT DEPUTY DIRECTOR PATTERSON TO DISCUSS PLANS FOR OCT CG-18. PATTERSON OUTLINED HIS VIEWS ON AGENDA FOR CG-18 MEETING. HE SUGGESTED FOLLOWING ISSUES: (A) ANNUAL REPORT OF THE GROUP TO THE GATT COUNCIL AND CONTINUATION OF CG-18; (B) AUSTRALIAN INITIATIVE ON TRADE IN AGRICULTURE; (C) BALANCE OF PAYMENTS ISSUE (BOTH CONTINUATION OF DISCUSSION INITIATED BY U.S./ARGENTINE PAPERS AND GATT-IMF RELATIONS); (D) DISPUTE SETTLEMENT; AND (E) RECENT DEVELOPMENTS IN TRADE POLICY.

2. AGENDA FOR OCT CG-18 WILL BE ESTABLISHED AT SEPT 27 PREPARATORY MEETING OF LOCAL REPS. WE
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 07386 221348Z

BELIEVE THAT PROPOSED ISSUES SHOULD BE DEALT WITH IN

THE FOLLOWING MANNER:

(A) ANNUAL REPORT OF THE CG-18 TO GATT COUNCIL WILL HAVE TO BE DISCUSSED AT OCT MEETING. THE ONE-YEAR TRIAL PERIOD FOR THE CG-18 ENDS IN NOVEMBER. A REPORT TO THE COUNCIL IS ESSENTIAL FOR ANY DECISION ON THE FUTURE OPERATION OF THE GROUP. THE ISSUE INVOLVES QUESTIONS ON WHICH THERE IS NO FIRM USG POSITION -- I.E., NATURE OF CG-18 DELIBERATIONS, CONTINUATION OF GROUP BEYOND INITIAL ONE-YEAR TRIAL PERIOD -- BUT INCLUSION OF THE ITEM ON THE AGENDA SHOULD OF ITSELF POSE NO REAL PROBLEM.

(B) PATTERSON SAID THAT LONG INTENDS TO REPORT AT THE CG-18 MEETING ON THE STATUS OF HIS DISCUSSIONS WITH THE IMF STAFF, INCLUDING THOSE WHICH LONG WILL HOLD AT THE IMF MEETING IN MANILA. WE NOTED THAT THESE DISCUSSIONS -- AS WE UNDERSTAND THEM -- WERE ESSENTIALLY DIRECTED AT WAYS TO IMPROVE COOPERATION BETWEEN THE IMF AND GATT SECRETARIATS AND DID NOT ADDRESS THE BROADER ISSUE OF THE IMPLICATIONS FOR THE TRADING SYSTEM OF THE NEW RULES AGREED AT JAMAICA FOR THE INTERNATIONAL MONETARY SYSTEM. WE SUGGESTED THAT SUCH A BROADER DISCUSSION IN THE CG-18 WOULD BE USEFUL IF ONLY TO PROVIDE A BETTER UNDERSTANDING OF THE CONTEXT IN WHICH IMPROVED GATT-IMF RELATIONS IS TO BE ADDRESSED. FOR ILLUSTRATION WE SUGGEST THE POSSIBLE EXAMINATION BY THE CG-18 OF THE PROPOSITION THAT UNDER A MANAGED-FLOAT SYSTEM COUNTRIES MAY COME UNDER INCREASED PRESSURE TO TAKE TRADE RESTRICTIVE ACTION ON GROUNDS THAT THEY MAY NO LONGER HAVE THE PROTECTION AFFORDED BY AN UNDERVALUED EXCHANGE RATE. AT THE LOCAL CG-18 REPS MEETING THE U.S. SHOULD SUGGEST INCLUDING A DISCUSSION OF THE POSSIBLE IMPLICATIONS OF THE JAMAICA AGREEMENTS FOR THE TRADING SYSTEM AS A FUTURE CG-18 AGENDA ITEM. IT WOULD BE USEFUL NOT ONLY IN ITSELF BUT AS A MEANS TO PROVIDE THE DIRECTOR-GENERAL GUIDANCE IN HIS DISCUSSIONS WITH THE IMF STAFF. UNLESS OTHER DELGATIONS ARE PREPARED LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 07386 221348Z

TO TAKE ON THE TASK, THE U.S. SHOULD BE PREPARED TO SUBMIT A PAPER FOR CONSIDERATION BY THE CG-18 AT ITS FIRST MEETING NEXT YEAR (ASSUMING, OF COURSE, THERE IS AGREEMENT TO CONTINUE THE CG-18).

(C) ON A RELATED ISSUE U.S. REP SHOULD EXPRESS OUR STRONG DESIRE THAT CG-18 CONTINUE ITS DISCUSSION OF BALANCE OF PAYMENTS COMMITTEE PROCEDURES

WITH THE VIEW OF REPORTING ITS DISCUSSIONS TO THE GATT COUNCIL. WE RECOGNIZE THAT SOME COUNTRIES HAVE RAISED SERIOUS QUESTIONS ABOUT HOW THE RESULTS OF THE CG-18 DISCUSSION SHOULD BE COMMUNICATED TO OTHER CPS, IF AT ALL. WE BELIEVE THIS ISSUE CAN BE RESOLVED IN A MANNER WHICH MEETS THE CONCERNS EXPRESSED AT THE LAST CG18 AND WILL BE PREPARED TO SUGGEST POSSIBLE SOLUTIONS AT THE CG-18 MEETING IN OCT. (WE SHOULD PRIVATELY INFORM THE EC THAT WE ARE STILL IN THE PROCESS OF REVIEWING POSSIBLE SOLUTIONS AND ASSURE THEM THAT WE INTEND TO DISCUSS THIS ISSUE WITH THEM BILATERALLY WELL IN ADVANCE OF THE CG-18 MEETING). WE BELIEVE THAT THERE IS A LARGE DEGREE OF CONSENSUS ON THE SUBSTANTIVE ISSUE OF BOP COMMITTEE PROCEDURES WHICH, ONCE THE PROCEDURAL QUESTION IS RESOLVED, SHOULD BE CONFIRMED BY THE CG-18. THE U.S. SHOULD REQUEST, THEREFORE, THAT THE BALANCE OF PAYMENTS ISSUE BE RESTORED AS AN AGENDA ITEM FOR THE OCT MEETING.

(D) AUSTRALIANS WILL NOT HAVE READY THEIR PAPER ON AGRICULTURE PRIOR TO THE LOCAL REPS MEETING. THEREFORE, WE WILL NOT BE IN A POSITION TO COMMENT BEYOND EXPRESSING OUR CONTINUED INTEREST IN HAVING AUSTRALIA SET OUT MORE SPECIFICALLY THE TYPES OF PROBLEMS THEY WISH THE CG-18 TO ADDRESS. U.S. DEL SHOULD AVOID TO EXTENT POSSIBLE TAKING SIDES IN ANY EC-AUSTRALIAN DISPUTE OVER THE APPROPRIATENESS OF THIS ISSUE FOR THE CG-18, NOTING OUR AGREEMENT THAT THE CG-18 SHOULD BE A FORUM FOR AN OPEN AND FRANK EXCHANGE OF VIEWS BUT THAT WE CANNOT MAKE A JUDGMENT IN THE ABSENCE OF A MORE COMPLETE UNDERSTANDING OF WHAT THE AUSTRALIANS HAVE IN MIND.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 07386 221348Z

(E) THE GATT SECRETARIAT HAS, FOR SOME TIME, BEEN PRESSING TO HIGHLIGHT THE QUESTION OF DISPUTE SETTLEMENT AND, IN PARTICULAR, FIND A VEHICLE FOR PRESENTATION OF A SECRETARIAT PAPER ON THE ELEMENTS OF THE DISPUTE SETTLEMENT PROCESS. BASED ON AVAILABLE INFORMATION, IT APPEARS THAT THE SECRETARIAT PAPER MAY REFLECT USG VIEWS AND COULD PROVIDE A BASIC APPROACH TO THE DISPUTE SETTLEMENT ISSUE THAT LEADS TO CONCLUSIONS SIMILAR TO THOSE REACHED BY THE U.S. THEREFORE, IT COULD BE USEFUL IF THE PAPER COULD BE PRESENTED BEFORE NEGOTIATIONS ON DISPUTE SETTLEMENT PROCEED MUCH FURTHER. IN PARTICULAR, RELEASE OF THE SECRETARIAT PAPERS IN THE NEAR FUTURE MIGHT HELP SHARPEN THINKING IN CAPITALS AS THE DISPUTE

SETTLEMENT QUESTION BEGINS TO ATTRACT ATTENTION. HOWEVER, THERE ARE DISADVANTAGES TO INTRODUCING DISPUTE SETTLEMENT IN THE CG-18. ONE IS THAT THE LDCS WILL VIEW INCLUSION OF DISPUTE SETTLEMENT ON THE CG-18 AGENDA AS AN EFFORT TO UNDERCUT AN INITIATIVE IN THE REFORM CONTEXT. AT THE OTHER EXTREME THE EC AND OTHERS WHO HAVE BEEN WARY OF NEGOTIATION ON THE DISPUTE SETTLEMENT PROCEDURES OF THE GATT WILL ARGUE THAT, GIVEN A CG-18 DISCUSSION OF THE ISSUE, IT NEED NOT BE INCLUDED IN A FRAMEWORK IMPROVEMENT EFFORT. ON BALANCE, WE BELIEVE THAT PROVIDED THE LDCS HAVE NO OBJECTIONS AND IT IS UNDERSTOOD THAT THE CG-18 WOULD ONLY DISCUSS THE ISSUE AS A LEAD INTO NEGOTIATIONS IN THE MTN, WE SHOULD NOT OBJECT TO (ALTHOUGH WE WOULD NOT ADVOCATE) INCLUSION OF DISPUTE SETTLEMENT ON THE CG-18 AGENDA. INDEED, ALTHOUGH WE SHOULD NOT PRESS FOR INCLUSION OF THIS ISSUE ON THE AGENDA, IF OTHERS SUPPORT THE IDEA OF DISCUSSING DISPUTE SETTLEMENT, WE MIGHT THEN SUGGEST THAT THE SECRETARIAT PRESENT A BACKGROUND PAPER FOR PURPOSES OF DISCUSSION.

(F) RECENT DEVELOPMENTS IN TRADE POLICY IS A STANDARD "CATCH-ALL" ITEM FOR CG-18 MEETINGS AND WE SHOULD RAISE NO OBJECTION TO INTS INCLUSION ON THE AGENDA
CATTO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 05 GENEVA 07386 221348Z

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, PLANNING MEETINGS, MEETING REPORTS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976GENEVA07386
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760357-1075
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760933/aaaabchr.tel
Line Count: 201
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 12 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 MAY 2004 by greeneet>; APPROVED <13 SEP 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: PREPARATORY MEETING FOR OCT CG-18
TAGS: ETRD, US, GATT
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006